

Treasury Department,

OFFICE OF THE DIRECTOR OF THE MINT,

Washington, D. C. March 21, 1881

A. London Snowden, Esq.,

Supt. U. S. Mint,

Philadelphia, Pa.

Sir:-

Please forward to me a statement of the ounces of silver bullion purchased for coinage, on hand in your Mint at the beginning of the present calendar year, January 1st and its cost as shown by your books.

Section 35-26 of the Revised Statutes requires the gain arising from the coinage of silver bullion to be credited to the Silver Profit-Fund.

The Instructions of 1874, page 13, under seigniorage on silver coins, paragraph 2, improperly directed that on all silver purchased or parted, the profit should be credited at the end of each quarter whether coined or not.

In the Instructions of 1881, page 11, paragraph 2, it is directed that on all silver "coined" the profit shall be credited at the end of each quarter. This change of language was made advisedly to conform to the law which evidently did not intend that the credit of the profit should anticipate the coinage.

An examination of the accounts of the Mints and Assay Offices for the purpose of ascertaining

the actual total seigniorage, resulting from the coinage of subsidiary silver coins and standard silver dollars, discloses discrepancies between the actual profits and the statements of the profits from coinage as published from year to year in the directors' reports and furnished from the different institutions.

The Act for the coinage of the standard silver dollar provides "that the amount of money at any one time invested in such silver bullion, exclusive of such resulting coin, shall not exceed five million dollars."

It is important that I have the data to show not only the amount on hand in

ounces, but the amount of money at each Mint invested in bullion so purchased for such coinage. The aggregate amount thus invested at all the mints above the actual resulting coin must not exceed five millions of dollars. If a silver purchase account is kept so that it will show the number of ounces and cost of silver purchased and the ounces, cost and coining value of the silver bullion coined during each quarter, the profit from the actual coinage, can be credited to the silver profit fund and the corresponding entries and accounts settled without confusion or difficulty.

By coining first the bullion on hand at the

commencement of the quarter or assuming that this is done, the actual gain on such coinage could be ascertained and the gain on the remainder of the coinage could be found by computing the average cost-per ounce during the quarter.

In case of a change of the method of computing the seigniorage from a credit on the amount-purchased during each quarter to the amount-coined in each quarter, no profit-should be entered on the coinage of the bullion purchased, prior to January 1, 1880, if the profit-has already been credited on such bullion.

Very respectfully,

Horatio Bruchard

Director

292

D. M.

Wash. D. C.

Mar 21/81

H. C. Burdick

Wants Statement of
the ozo. of Silver Bullion,
purchased for coinage, on
hand at the Philadelphia,
January 1, 1881, & its cost
as shown by the books of the
Mint.

And instructions how
to keep the accounts, to
show profits, and amount
of Silver Bullion on hand
not coined.

Rec^d March 22nd 1881.

[Abstract:] Wants statement of the ozs. of Silver Bullion purchases... 292

Treasury Department,
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Washington, D.C.,
March 21, 1881

A. Loudon Snowden, Esq.
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By coining first the bullion on hand at the commencement of the quarter or assuming that thus is done, the actual gain on such coinage could be ascertained and the gain on the remainder of the coinage could be found by computing the average cost per ounce during the quarter.

In case of a change of the method of computing the seigniorage from a credit on the amount purchased during each quarter to the amount coined in each quarter, no profit should be entered on the coinage of the bullion purchased, prior to January 1, 1880, if the profit has already been credited on such bullion.

Very respectfully,
Horatio C. Burchard
Director.